

m/045/049

Clifton Mining Company

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September 21, 1999

Tom Munson.
Department of Oil Gas & Mining
1594 W. North Temple
Salt Lake City, Utah 84114

Dear Mr. Munson,

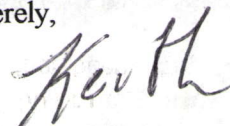
We are in receipt of your letter and the copy of the surety bond paperwork. One question that we have is that if we place the bond with the Department of Oil, Gas and Mining, will that satisfy the requirement with the BLM. Or if we place the \$27,000.00 bond with DOGM will we still have to place another bond with the BLM? If both groups (BLM & DOGM) can make claim upon the same bond that will obviously help us.

Secondly we already have an unallocated bond balance currently held by the Department of Oil, Gas and Mining of approximately \$ 7,000.00 or more, as well as another block that should be released as soon as verification of plant growth has been completed by DOGM employees.

Clifton requests that an extension be made on the September 22nd due date of the bond, so that an accurate accounting can be made as to how much additional money Clifton needs to place to meet the \$27,000.00 bond requirement. Clifton requests that the current unallocated bond money held in account by DOGM be subtracted from the new bond on the Catus Mill Site and that the further release of additional moneys (those released because of plant growth) also be subtracted from the current bond requirements. Clifton also requests that once the determination is made by DOGM of how much unallocated funds are available to be subtracted from the new Catus Mill Site bond, that Clifton has 30-45 days in which to place the balance with DOGM and or the combination of DOGM and the BLM. Our corporate bonding company has already verbally approved the bond. They now need the additional information as to the bond balance amount, after the subtraction of the unallocated bond money currently held by DOGM, and then sufficient time to process and issue the new Catus Millsite bond.

Thank you for your time in this matter.

Sincerely,



Keith W. Moeller, Property Manager

